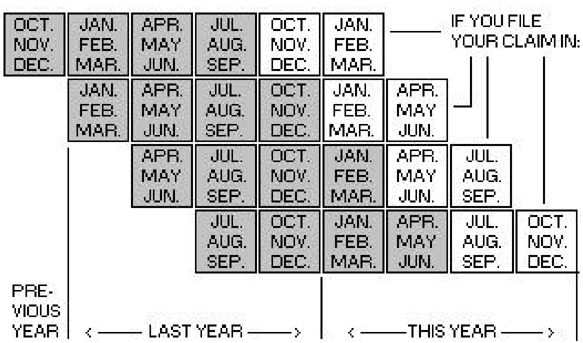
3 DETERMINING IF A PERSON QUALIFIES FOR BENEFITS AND CALCULATING THE AMOUNT THAT CAN BE PAID TO THE PERSON WHO DOES QUALIFY

A. Qualifying Wage Requirements

Base Period. Only wages for covered employment paid during the base period are used to determine if a claimant has qualifying wages to start an unemployment benefit year. Therefore, the first step is to identify the claimant's base period. The base period is the first four of the five most recently completed calendar quarters, counting from the quarter in which the claim is filed, not the quarter in which the claimant became unemployed.

The chart below illustrates which quarters would be in the base period (shaded) for a claim filed in the specified quarter.



If a claimant does not have enough wages to qualify for a claim using the base period defined above, an "alternate base period" will be used. The alternate base period will be the four most recently completed calendar quarters prior to the week the initial claim application for the new benefit year is filed.

Weekly Benefit Rate. The second step in determining whether a claimant has qualifying wages is to compute the potential weekly benefit rate. The base period quarter in which (s)he was paid the highest total amount of covered wages from all employers (the "high quarter") is used to compute the weekly benefit rate. The weekly benefit rate is equal to 4% of the covered wages paid by all employers in the high quarter, rounded down to the next whole dollar.

The maximum and minimum benefit rates are determined by UI law. Currently, the **minimum weekly benefit rate is $48**, requiring high quarter earnings of $1,200; and the **maximum rate is $324**, requiring high quarter earnings of $8,100.

(NOTE: As of benefits paid for the week ending 01/04/03, the minimum rate will increase to $49, and the maximum rate will increase to $329.)

Base Period Wages. Once the potential weekly benefit rate is computed, base period wages are reviewed to determine if the claimant meets the last two requirements, which are:

- total base period wages must equal at least 30 times the weekly benefit rate, and
- wages outside the high quarter must equal at least 4 times the weekly benefit rate.

(See Part 6 for detailed information about base period wages.)

Additional Requirement for Some Claims. If the claimant was paid benefits in a prior benefit year which has ended, (s)he must also have worked since the beginning of that benefit year and earned at least 8 times the weekly benefit rate of that claim.

B. Other Qualifying Requirements

In addition to having sufficient wages in the base period, the claimant must meet the following requirements to be eligible for benefits:

Able and Available for Work. An individual who is totally unemployed must be able to work and available for work while filing for unemployment benefits. If the claimant has a restriction that prevents or restricts his/her ability or availability for work, the issue may affect the individual's eligibility for benefits. See Part 7, Item V for more information about this eligibility issue.

Work Search for Suitable Work. A claimant must look for work in each week unless the work search requirement is specifically waived by the Department.

Some of the reasons that permit waiving the requirement include:

- A reasonable expectation that the claimant will return to work for a former employer within 12 weeks of the initial claim for benefits.
- A new job to start within 4 weeks of the initial claim for benefits.
- Routinely getting work through membership in a trade union if currently on its out-of-work list.
- Working full-time (35 or more hours per week) during the week in question.
- Working part-time for an employer for whom the claimant has worked full-time in at least 10 of the last 52 weeks.

If a claimant fails to look for work when required to do so, (s)he will not be eligible for benefits for the week(s) in question. See Part 7, Item Z for more information about this eligibility issue.

C. How a Claimant's Entitlement is Calculated

The maximum amount of benefits payable during a benefit year is **the lesser of:**

- 26 times the weekly benefit rate; **or**
- 40% of the base period wages, rounded down to the next whole dollar.

The maximum benefit amount is treated much like a checking account balance. As the claimant is paid unemployment benefits during the benefit year, the amount paid is subtracted from the balance until it reaches zero. If the claimant is paid the full amount before the benefit year ends, no benefits can be paid to the claimant for the remainder of the benefit year, even if (s)he remains unemployed. Once the benefit year ends, any remaining entitlement from that benefit year can no longer be paid to the claimant. However, if the claimant is still unemployed, (s)he can attempt to start a new benefit year based on wages paid during the base period for that new claim.

Example

If a claimant's very first initial claim application is filed on 07/16/01:
the **base period** begins 04/01/00 and ends 03/31/01, and.
the **benefit year** begins 07/15/01 and ends 07/13/02.

If the weekly benefit rate is $160 and the total base period wages are $10,000, the maximum benefit amount is **the lesser of**:
26 times $160 ($4,160); **or**
40% of $10,000 **($4,000).**

The claimant has the entire 52-week benefit year to collect the $4,000 maximum benefit amount. If the claimant returns to work in December of 2001 and stops filing for weekly benefits, the wages that are paid for this work will neither increase the weekly benefit rate nor will they increase the maximum benefit amount for the current benefit year. If the claimant is laid off again before 07/14/02 and has not been paid all of the $4,000 maximum benefit amount, (s)he can file another initial claim application to reactivate the benefit year and start filing for weekly benefits again.

If the claimant is still partially or totally unemployed in the week ending 07/20/02, (s)he can apply to start a new benefit year that week. Wages paid in the new base period, which begins 04/01/01 and ends 03/31/02, will be used to compute a new weekly benefit rate and a new maximum earnings amount if the claimant was paid enough wages in the new base period to qualify **and** (s)he has earned at least 8 times the old weekly benefit rate since the week the last benefit year was started.